

**QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS
EXECUTIVE SESSION MINUTES**

July 17, 2006

A meeting of the Board of Directors of the Quonset Development Corporation

(the "Corporation") was held at 5:00 p.m. on Monday, July 17, 2006, at the offices of the Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island law.

The following Directors constituting a quorum were present and participated throughout the meeting as indicated: Robert Crowley, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, Saul Kaplan, Anthony F. Miccolis, John A. Patterson, Sav Rebecchi, M. Paul Sams and John G. Simpson.

Also present were: W. Geoffrey Grout, Managing Director, E. Jerome Batty,

Secretary, Tim Chamberlain, New Boston Development Partners, LLC, Steven King,

COO, Mary C. Lake, CFO, Gerry Lavalley, CB Richard Ellis, Evan Matthews, Director of Planning and Development, Dyana Koelsch of New Harbor Group, Richard Reed, RIEDC Deputy Director and Jack Sprengel, Director of Operations.

Prior to adjournment to Executive Session, the Board:

VOTED: To adjourn to Executive Session pursuant to Subsection (2) - (litigation), Subsection (5) - (Acquisition or Lease of Real Estate for public purposes or disposition of Publicly held Property) and Subsection (6) - (Location of Perspective Businesses in Rhode Island), and subsection (7) (Investment of Public Funds) of the RIGL §42-46-5(a) (the "Open Meetings Law").

**Voting in favor were: Robert Crowley, Kas R. DeCarvalho, David A. Doern,
Barbara Jackson, Thomas Hazlehurst, Anthony F. Miccolis, John A. Patterson,
Sav Rebecchi, M. Paul Sams, and John G. Simpson.**

**Voting against were: none.
Unanimously approved.**

**NEW BOSTON DEVELOPMENT PARTNERS. LLC. GATEWAY
MARKETING UPDATE:**

**Mr. Grout began the discussion by stating that Mr. Tim Chamberlain from New
Boston Development Partners would provide the Board an update on the possible
tenants for the Gateway project as well as a discussion of the results of the Pinnacle
hotel survey.**

Mr. Chamberlain indicated that the marketing efforts for the Gateway project have been active. He noted that there has been much outreach to the community and a larger team put together that includes New Harbor Group for public relations, CB Richard Ellis for office and research and development prospects and Dartmouth Companies for retail prospects.

Mr. Chamberlain discussed the results of the Pinnacle hotel and hospitality survey of the tenants of the Quonset Business Park. Based on the site location, demographics and economics of the area, Pinnacle determined that the Park can support an 80 key select service format/extended stay hotel. He indicated that the need for conference space was determined to be about 1,000 square feet for all of the businesses in the area, which was less than originally expected. The recommended hotel would have a bar, lounge and continental breakfast availability. Mr. Chamberlain indicated that perhaps the visitors' space planned for the Gateway could provide more meeting space if deemed necessary. Mr. Chamberlain indicated that active

discussions were

currently underway for a known hotel chain.

Mr. Grout asked Mr. Chamberlain to give the Board a sense of who is interested in

the Gateway project in light of the changes from the original plan, i.e., a smaller

proposed hotel that is not full service, lack of activity from a grocer and large retail interest.

Mr. Chamberlain indicated that New Boston had not yet had a lot of traction with a

national grocery chain. However, he indicated that getting anchors in the form of

department stores and large retailers would help with the push to get a grocer to the

Gateway if the site can fit into their plan.

Mr. Crowley indicated that he would like to see a side by side comparison of what the

original plan looked like versus how the new plan is emerging. Mr. Chamberlain

indicated that New Boston hopes to have a specific proposal within sixty (60) days.

Mr. Kaplan asked Mr. Chamberlain to discuss the office side of the project.

Mr. Chamberlain indicated that the retail space will come first and will help to attract

office use.

Mr. Lavallee indicated that his office has had increased activity with regard to office components but that the anchors for the Gateway needed to be in place first and the amenities package clear with transportation upgrades completing the package.

Mr. Lavallee asked Mr. Chamberlain if it would be possible for Pinnacle to extend their analysis of a hotel at Quonset to include the waterfront. Mr. Lavallee indicated that since the analysis was based on the front of the Park, perhaps there would be more interest in a waterfront hotel. Mr. Chamberlain indicated that Pinnacle can take a look at this possibility but he did not believe it would change the market dynamics.

Mr. Rebecchi asked what role the North Kingstown Golf Course plays in attracting businesses and visitors to the Park.

Mr. Lavallee indicated that the golf course was a great amenity and a very positive aspect of the Park.

Mr. Grout asked Mr. Chamberlain to describe the momentum of the Gateway project now compared to earlier in the process. Mr. Chamberlain indicated

that the

momentum is accelerated at this time.

Mr. Chamberlain, Ms. Koelsch and Mr. Lavallee exited the meeting at 6:20 p.m.

Mr. Doern then asked about the signage for the Park and indicated that he would like

to see major changes in the signage in the area.

Ms. Koelsch returned to the meeting at 6:26 p.m.

Mr. King indicated that the signage program is moving forward and will address signage inside and outside the Park, for both guide signage and street signage. Mr. King indicated that there would be a draft of the signage program for the Board to review at the August Board meeting.

There being no further business to come before the Executive Session, upon

motion duly made by Mr. DeCarvalho and seconded by Mr. Patterson, the Executive

Session was adjourned at 6:26 p.m.

Voting in favor were: Robert Crowley, Kas R. DeCarvalho, David A. Doern,

Barbara Jackson, Thomas Hazlehurst, Anthony F. Miccolis, John A. Patterson,

Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously approved.

Respectfully submit

By:

Erne Batty, Secretary